

VZCZCXYZ0000
RR RUEHWEB

DE RUCNDT #0584 1621444
ZNY EEEEE ZZH
R 111444Z JUN 09
FM USMISSION USUN NEW YORK
TO SECSTATE WASHDC 6708

UNCLAS E F T O USUN NEW YORK 000584

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [AMGT](#) [AORC](#) [UN](#)

SUBJECT: UK HOSTS LUNCH FOR UN COMMITTEE ON CONTRIBUTION
DELEGATES TO DISCUSS SCALES OF ASSESSMENT

REF: A. USUN 518
[1](#)B. USUN 562

Classified By: Ambassador Rosemary DiCarlo For Reasons 1.4 b

[1](#)1. (SBU) SUMMARY: On June 4, 2009 the UK Mission hosted a lunch for members of the Committee on Contribution (COC) to discuss the scale of assessment models and general views of the committee on the scales debate. In addition to CoC delegates from Germany, Australia, the UK, Romania, Portugal, Japan, Republic of Korea (ROK), and the US. Fifth Committee delegates from Canada, the UK, Czech Republic, Japan, Germany, Sweden, Mexico and the US were also invited. (Comment: Notably, the participants included the experts and Fifth Committee delegates from the three countries which the EU and CANZ participants on the G7 discussions want to invite into the G7 initiative discussion. Reftel USUN 562)The Brits indicated the lunch was an opportunity to share views on the CoC's work and the impact from the CoC's report on the scale debate outcome. The discussion was primarily focused on LPCIA, but there were discussions on the margins about the potential outcome of the scales negotiations. The Portuguese CoC member made the observation that, based on his review of the financial data provided by the UN Secretariat, the status quo may not be such a bad outcome in the scales negotiation as many western countries assessment decreases whereas the assessment for Brazil, Russia and China increases. Many CoC delegates indicated interest in continuing to consider changes to the methodology e.g. debt burden, and LPCIA. The Japanese CoC member advocated for an overall reconstruction of the scales methodology for the 2012 debate and continues to see value in incorporating some elements of the Purchasing Power Parity (PPP) into that new methodology. The Swedes, the Brits and the Canadian refuted the notion to maintain the status quo and indicated now is the time to push for a change. END SUMMARY

[1](#)2. (SBU) At this lunch, the UK host informed the group that the EU had intended to present to the CoC the elements of the EU models that had been outlined in a recent letter to the CoC chairman (Reftel USUN 518), however events in the May resumed session of the Fifth Committee appear to be making it difficult for the EU to prepare a briefing on their request. Therefore, it is unclear whether or when the EU will make a presentation on their request. The UK focused the conversation initially on LPCIA and the elements, such as the threshold and gradient, that could result in a fair scale methodology. The Portuguese CoC member questioned whether it might be an acceptable outcome to maintain the status quo, given the data for the current scales methodology provided by the UN Secretariat indicates most of the Western members assessments would decrease while assessments for Brazil, China and Russia would increase. In addition, the Japanese CoC member stated the group should focus efforts on proposing an overall change to the methodology in the 2012 scales debate.

[1](#)3. (SBU) The Japanese CoC member indicated that the Market Exchange Rate (MER) is an element of the methodology that

creates significant disparities and that if the group wants to achieve change to the methodology it would be better to propose a radical change in the methodology rather than continuing to try to make small changes to the existing methodology. The Swedes and the Brits responded that the opportunity to make a change to the scale methodology must be seized this Fall. Several of the CoC delegates spoke in favor of continuing to consider change, in the debt burden and LPCIA elements, focusing on adjustments to the threshold. Several CoC delegates also expressed support and interest in the proposal to include a point limit in the methodology, limiting the benefit that could accrue to any one member from the LPCIA. The US raised and other delegates recognized the difficulty this would create for the US given the potential implications for our position on the ceiling.

¶4. (SBU) The Canadian raised the possibility of exploring a potential rift within the G77 over Gulf States discontent over paying more than China in the peacekeeping scale of assessment. The Canadian had also heard that the Pacific Island States had expressed dissatisfaction at having to pay more than other member states who they deem being able to pay far more than the pacific island states. The Brits and Canadians indicated they would ask Naru and Palau to consider providing the CoC with a briefing on the financial impact of scales on the pacific islands as a means to inform other member states of the disparity that exists because of the current methodology.

RICE